

[CHAPTER 557.]

AN ACT

To amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases.

June 16, 1934.

[S. 3723.]

[Public, No. 373.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended, is amended by adding the following new section:

"SEC. 40. (a) All prospecting permits and leases for oil or gas made or issued under the provisions of this Act shall be subject to the condition that in case the permittee or lessee strikes water while drilling instead of oil or gas, the Secretary of the Interior may, when such water is of such quality and quantity as to be valuable and usable at a reasonable cost for agricultural, domestic, or other purposes, purchase the casing in the well at the reasonable value thereof to be fixed under rules and regulations to be prescribed by the Secretary: *Provided*, That the land on which such well is situated shall be reserved as a water hole under section 10 of the Act of December 29, 1916.

Purchase of casings in wells when water suitable for agriculture, etc., is struck.

Provided.
Water holes.
Vol. 39, pp. 865, 518.

"(b) In cases where water wells producing such water have heretofore been or may hereafter be drilled upon lands embraced in any prospecting permit or lease heretofore issued under the Act of February 25, 1920, as amended, the Secretary may in like manner purchase the casing in such wells.

Purchase of water wells upon lands embraced in any prospecting permit.

"(c) The Secretary may make such purchase and may lease or operate such wells for the purpose of producing water and of using the same on the public lands or of disposing of such water for beneficial use on other lands, and where such wells have heretofore been plugged or abandoned or where such wells have been drilled prior to the issuance of any permit or lease by persons not in privity with the permittee or lessee, the Secretary may develop the same for the purposes of this section: *Provided*, That owners or occupants of lands adjacent to those upon which such water wells may be developed shall have a preference right to make beneficial use of such water.

Opening and operating plugged or abandoned wells.

Provided.
Preferential rights of vicinity.

"(d) The Secretary may use so much of any funds available for the plugging of wells, as he may find necessary to start the program provided for by this section, and thereafter he may use the proceeds from the sale or other disposition of such water as a revolving fund for the continuation of such program, and such proceeds are hereby appropriated for such purpose.

Use of available sums to initiate program and proceeds from sales as revolving fund.

"(e) Nothing in this section shall be construed to restrict operations under any oil or gas lease or permit under any other provision of this Act."

No restriction, unless stipulated.

Approved, June 16, 1934.

[CHAPTER 558.]

JOINT RESOLUTION

Authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp.

June 16, 1934.

[S. J. Res. 100.]

[Pub. Res. No. 33.]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the archway connecting the new building of the Department of Agriculture (commonly known as the "South Building") with the west wing of the main building of the Department of Agriculture shall be designated the "Wilson Memorial Arch" in memory of James

Department of Agriculture.
Memorial archways authorized.
"Wilson Memorial Arch."